

Special Update:

Largest Tax Increase Ever: I spent most of yesterday participating in the Budget Committee's proceedings on the budget for 2008. Our hearing lasted from 10 AM yesterday until 1 AM this morning. And the Budget that the Democrats proposed and approved (without my support) contained huge spending increases and the largest tax increase in American history. Below are the details of this proposal, which will be considered on by the whole House next week:

- Their budget proposes the largest tax increase in American history - The Democrat's budget calls for a tax increase of every tax bracket, slashes the child tax credit, raises the death tax, and reinstates the marriage penalty. And this is just a sampling, there is more. In all, the Democrat's plan will cost taxpayers over \$390 billion in the next 5 years. What is particularly frustrating about this ill-advised action is that the Democrats are blatantly ignoring the economic consequences and fiscal benefits that lower taxes have brought to the treasury the past few years. Revenue has increased in double digits the last two years alone because of the economic expansion encouraged by reduced taxation. This revenue growth has been crucial in reducing the deficit. The Democrats refuse to recognize this, though, and instead they just want to tax us to death. This is a recipe for disaster.

- Their budget proposes massive increases in spending, expansion of government - As highlighted above, revenue is not the problem, out of control spending is the problem. The Democrats, however, don't seem to care. Their singular goal is to spend more and make government bigger. In that spirit, they call for a \$42.5 billion increase in non-defense spending this year. Yikes.

- Their budget proposes no offsets to pay for these increases - Despite these huge increases, the Democrats offer no way to pay for them except by raiding Social Security and raising taxes. This is completely irresponsible. Governing is about making tough decisions and ending government programs that are ineffective and wasteful -- even if they sound good. Their budget, however, has expansion across the board regardless of effectiveness. Hardly fiscal responsibility.

- Their budget proposes no fix to the AMT - In spite of their continued talk of fixing this increasingly oppressive tax, they have done nothing and are allowing it to continue to grow and adversely affect more taxpayers.

- Their budget proposes no entitlement reform plan - The Budget Committee has heard testimony from several witnesses warning of the unsustainable growth of entitlement programs like Medicare, Medicaid, and Social Security. Repeated experts have said that if entitlements are not reformed, in the very near future, the budget will either be completely consumed by them or Congress will have to double current tax levels. Do we really want to saddle our children and grandchildren with our debt? The Democrats apparently do.

- Their budget proposes no accountability standards - With all of these increases in expenditures, the Democrats are conspicuously silent on all the current waste in the federal budget. Instead of making the government more efficient with what it is already operating under,

they are just calling for more money. I do not know of one business that operates in such a backward fashion. We need to promote efficiency and accountability -- not just blindly sign away taxpayer dollars to useless government programs.

In the end, we don't have deficits because we aren't paying enough taxes, we have them because Congress has a spending problem, and the Democrats in Congress are adding to that problem. It is possible to balance the budget without raising taxes or raiding Social Security. However, that requires fiscal discipline and smart decisions with our spending priorities -- which is something the tax and spend Democrats seem unable to do.

There will be more on this bill and the emergency spending bill to fund the war in my next update.

Until next week, I remain respectfully,

Congressman John Campbell